

Washington, DC – Congressman Wally Herger (R-CA), Ranking Member of the Ways & Means Subcommittee on Health, along with Ways and Means Ranking Republican Dave Camp (R-MI), today released a new [flow chart](#) that shows America's small businesses and their employees how to calculate the so-called small business health care tax credit the Democrats included in their massive health overhaul earlier this year.

As the navigation tool shows, employers face a dizzying array of questions and formulas before determining if they are eligible for some, all or none of this credit. In addition, the credit is limited to federal income tax liability, meaning that if a small business is losing money due to the economy, it might not be able to use the credit even if it successfully navigates the rules.

Herger added, "Ronald Reagan once said that the most terrifying words in the English language are 'I'm from the government and I'm here to help.' It's no surprise that the Democrats' big-government health care law offers no real help for small businesses struggling with high health care costs. In fact, at a time when our top priority should be to create jobs and get our economy back on track, this new law instead kills jobs and tells small business owners that it isn't in their best interest to grow and prosper. It's time for Congress to get to work on repealing this destructive health overhaul and providing real tax relief and health care savings for America's small businesses."

Camp said, "The health care law is going to drive up premiums even further and, as this chart shows, it forces small business to work through an exceedingly complex set of calculations just to find out they may not be eligible to receive any help at all. No wonder the nation's leading small business organization is suing to overturn the law. We need to repeal this law and replace it with health care reforms that lower costs for small businesses, families and taxpayers."

The Ways and Means Republican document reaffirms concerns expressed by small business owners in an Associated Press article, [FACT CHECK: Tax cut math doesn't add up for some](#), out this morning. Below are just some of the report's excerpts:

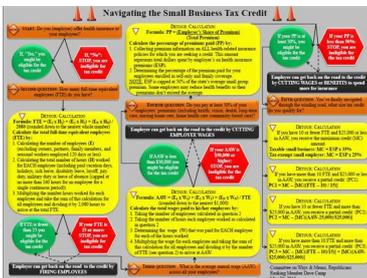
But when he ran the numbers, [Zach] Hoffman discovered that his office furniture company wouldn't get any assistance with the \$79,200 it pays annually in premiums for its 24 employees. "It leaves you with this feeling of a bait-and-switch," he said.

Lost in the fine print: The credit drops off sharply once a company gets above 10 workers and \$25,000 average annual wages.

To get the most out of the new federal credit, Hoffman said he'd have to cut his work force to 10 employees and slash their wages. "That seems like a strange outcome, given we've got 10 percent unemployment," he said.

The lack of assistance to small businesses and their workers should come as no surprise. During the health care debate, the non-partisan [Congressional Budget Office](#) estimated that 88 percent of those who get health insurance from a small employer work for a business that will not receive tax credits under the Democrats' legislation.

As the [National Federation of Independent Business](#) said, "the small business tax credit will do little to nothing to make purchasing insurance affordable for more small firms."



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